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From: bnoble@usarice.com
Sent: Tuesday, October 05, 2004 2:22 PM
To: FarmBillRules
Cc: USRPGConsComm@usarice.com
Subject: Conservation Security Program
Attachments: Conservation CSP USA Rice comments on interim final rule 9-04 (final).doc



Conservation CSP
USA Rice comm...

Please find attached the USA Rice Federation Comments on the Conservation Security Program Interim Final Rule.

Feel free to contact Ben Noble at bnoble@usarice.com or 703-236-1471 if you have any questions about these comments.

<<Conservation CSP USA Rice comments on interim final rule 9-04 (final).doc>>

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October 5, 2004

Financial Assistance Programs Division
U.S. Department of Agriculture (USDA)
Natural Resources Conservation Service (NRCS)
P.O. Box 2890
Washington, DC 20250

RE: CSP Interim Final Rule (Published in Federal Register June 21, 2004)

To Whom It May Concern:

The USA Rice Federation is the national advocate for all segments of the rice industry, formed by three charter members: The USA Rice Producers' Group, the USA Rice Millers Association, and the USA Rice Council.

USA Rice producer members in Arkansas, California, Louisiana and Missouri produce more than 80 percent of America's rice crop. Mill membership encompasses independent rice mills and farmer-owned cooperatives, with members located in Arkansas, California, Florida, Louisiana, Mississippi, Missouri, and Texas. Associate members include exporters, shippers and other businesses allied with the rice industry.

The USA Rice Federation appreciates the opportunity to comment on the interim final rule for the Conservation Security Program (CSP). We remain excited about the potential for the program and feel that many rice producers deserve rewards for their ongoing environmental stewardship. Rice producers have a rich history of addressing multiple resources of concern. In the course of maintaining an aquatic crop, many rice practices conserve soil, assist in water quality objectives and provide critical habitat for hundreds of wetland-dependant species. Considering these contributions, and other beneficial practices suitable for rice agriculture, we have supported the development of working lands conservation programs that recognize benefits on productive agricultural lands. While the proposed CSP is not as extensive as we had hoped, we stand ready to work with you to make this program a long-term success.

While we have some focused comments to convey, we recognize the limitations placed upon your agency as you developed this proposal. Please know that we make these suggestions and comments in the most sincere attempt to assist NRCS in developing the best rule possible in light of the fiscal challenges you face. It is apparent that NRCS staff has spent considerable time and effort to develop the proposed rule. We appreciate your hard work in this regard and appreciate the consideration you obviously gave a number of our suggestions from earlier comment periods.

The following comments are issues that continue to be raised when we discuss CSP in rice country. We hope they will be helpful as you continue to develop this important program.

Eligibility

As we indicated in our earlier comments, the rice industry feels the use of specific watersheds for eligibility determination is too restrictive. We understand the fiscal restraints placed upon the program/Department via the Congressional process, but we are hopeful the Department will give serious consideration towards enrolling all rice acreage in 2005 as the program is expanded.

Ag Operation Definition

We appreciate the flexibility provided to landlords/tenants in defining their agriculture operations. Our producer members in the Arkansas/Missouri "Little River Ditches" watershed were comfortable with the process for defining agriculture operations and found the process familiar as the Department was consistent between other programs operated by the Farm Service Agency and the Natural Resource Conservation Service.

Technical Assistance

The USA Rice Federation continues to be concerned that only 15% of the funds available for CSP can be used for technical assistance. We recognize that this is a statutory requirement and not an initiative of the Department, however, as this program grows and technical assistance is in greater demand, the USA Rice Federation is concerned that other programs will be forced to meet the potential shortfall in TA funding for CSP. We hope the Department will provide a breakdown of the percentage of funds used for TA on the CSP program in order for an accurate assessment to be made on the need for modifying the 15% limitation.

State Flexibility

In our previous comments we encouraged NRCS to allow for State flexibility in order to address State and regional priorities. We continue to encourage this approach. However, it was apparent during the signup period for the Arkansas-Missouri watershed that some decisions were being made locally that did not involve regional priorities, but instead reflected the desires of the local directors. For example, at multiple briefings in Washington, D.C. it was indicated that a producer would not be required to present a formal multi-year contract with a landlord in order to sign up for the program. NRCS stated that numerous organizations had commented on this issue from across the country and it recognized the need for flexibility on this issue due to the unique business arrangements that exist nationwide. USA Rice supported this flexibility.

In the Arkansas-Missouri watershed, however, producers were notified that their offices would require a multi-year written contract before a CSP contract would be granted. This is in direct contradiction to the national direction provided by NRCS to agriculture organizations. Such inconsistencies are likely prevalent as this is a new program with many questions that remain regarding implementation. As the program is expanded to

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new areas in 2005 and new county offices are briefed, USA Rice encourages the Department to reinforce areas where flexibility does or does not exist.

Payment Structure

Overall the rice producers able to qualify for the program were relatively pleased with the current CSP payment structure.

Signup Procedures

The most common complaint from rice country was that too little time was provided for record collection and application procedures. Qualification requirements for the various Tiers of the CSP program required extensive records from previous years. Many of our farmers were in the middle of growing a crop and were unable to take time to make an application. Those that did found the process burdensome primarily because of the short timeframe provided. As the program goes forward USA Rice encourages the Department to provide a one-page summary of the documents required to meet various tests for approval within the CSP program. Farmers in watersheds that have not yet been selected will want to use their time to assemble these files in order to ease the application process.

For those producers located in the Arkansas-Missouri watershed, and others eligible for the first sign-up, USA Rice encourages the Department to allow flexibility for farmers that did not have adequate records to prove a Tier II or Tier III farm upon initial signup. Farmers in this area essentially had a two week sign up window because even though sign-up technically began in early July, local NRCS staff were attending a training session and unable to relay the guidelines to the local farmers until later that month. We encourage the Department to allow producers who were enrolled in the CSP program to return within the next few months and move up within the Tier system by providing more up to date records.

Rice producers in Missouri were initially told by their county offices that they could enroll in a 10-year Tier I contract and after the first year they could prove Tier II status and "move up" for the remaining nine years of the contract. These farmers were later told that this was not the case and that only 5-year contracts were allowed for Tier I. Unfortunately, by that time the enrollment period was over and they were therefore locked into a 5-year contract at a Tier I level. We again stress that the enrollment for CSP occurred during a very busy time of year for rice farmers. Many were focused on their crops and thus unable to allocate sufficient time to locate records for purposes of proving Tier II or Tier III status. We urge USDA to show flexibility to such producers and allow them to move up within the Tier system and allow for 10-year contract eligibility.

Supporting Data Request

The USA Rice Federation encourages the Department to release statistical data related to the initial signup. As policy decisions are made in the coming months it will be helpful to have information such as the number of contracts that were granted, what tier levels were achieved in various watersheds, how many farmers applied but were denied, etc.

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Our producer leaders are committed to making this program a success and wish to use this information to better understand the criteria used in the selection process.

Conclusion

In closing, the USA Rice Federation appreciates the opportunity to comment on the proposed rule for the new Conservation Security Program. We hope that you will contact Ben Noble at 703-236-2300 or bnoble@usarice.com if we can be of any assistance or if you have further questions about our recommendations.

Best regards,
Al Montna
Chairman
Conservation Committee
USA Rice Federation